

# PART II Chapter 4: REIMBURSABLE BUSINESS DEVELOPMENT

## VERSION: OCT 96

**FIGURE 11-4.1 REIMBURSABLE BUSINESS DEVELOPMENT**

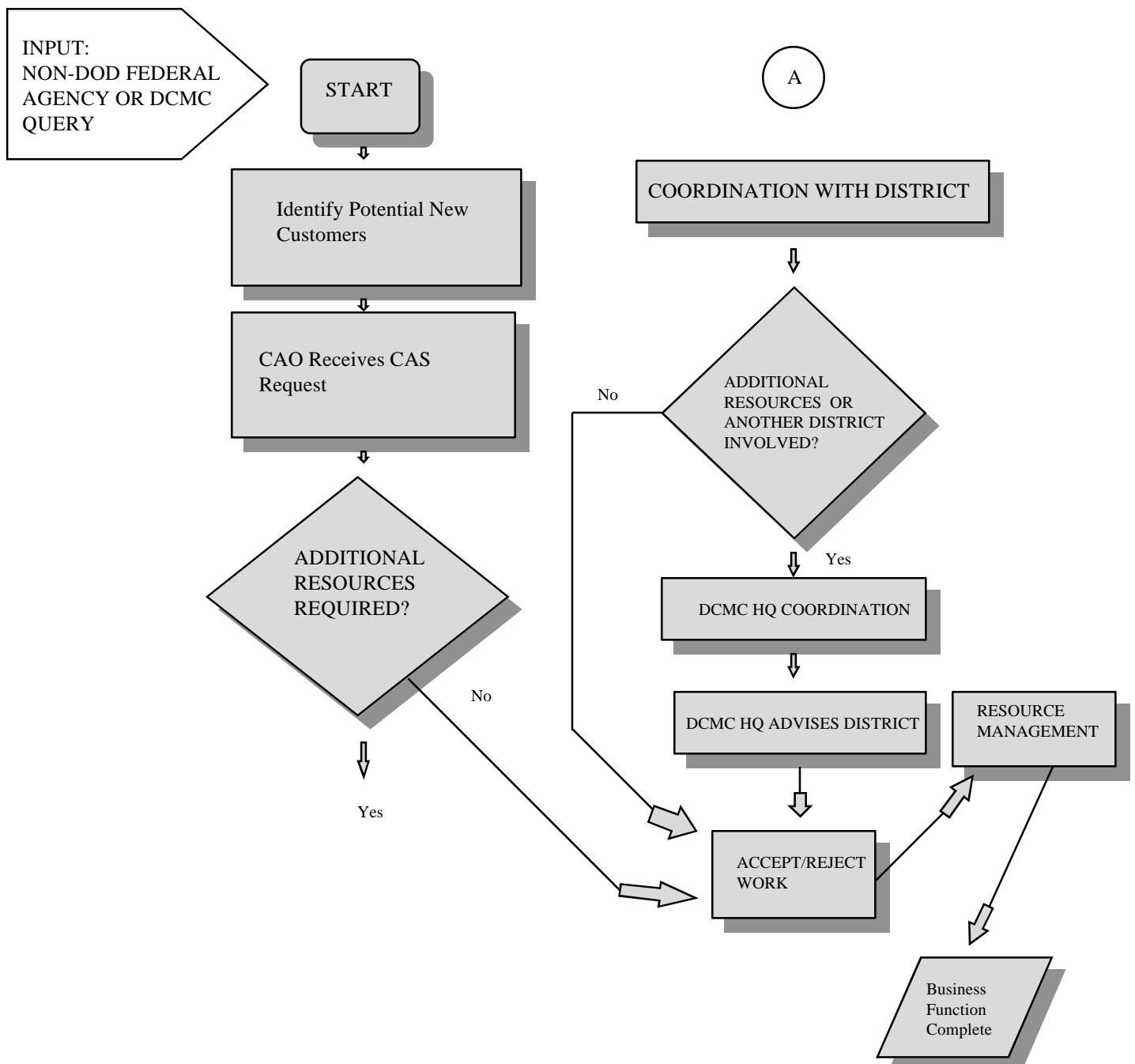
**DATE OCT 96**

**UNIT COST DATA:**

TIME EXPENDED DEVELOPING REIMBURSABLE BUSINESS IS CHARGED TO THE HOME CODE OF PARTICIPANT AS A COST OF DOING BUSINESS

**BUSINESS FUNCTION OUTPUT:**

MARKETING PLAN AS DEVELOPED OR UPDATED



**PART II**  
**Chapter 4**  
**REIMBURSABLE BUSINESS DEVELOPMENT**

**A. REFERENCES:**

1. FAR 17, Specialized Contracting Methods, Subpart 17.5, Interagency Acquisition under the Economy Act
2. FAR Part 42, Contract Administration, Subpart 42.1, Interagency Contract Administration and Audit Services
3. DFARS Subpart 242.1, Interagency Contract Administration and Audit Services
4. DLAM 7000.4, Defense Contract Administration Reimbursable Man-Hour Reporting System (DCARRS)
5. DoD 5105.38-M, Security Assistance Management Manual (SAMM)

**B. GENERAL:**

**1. Business Development.** It is the policy and goal of the Defense Contract Management Command to actively increase contract administration services (CAS) support to existing DoD and non-DoD customers and to expand our customer base to qualified non-DoD agencies, foreign governments (FGs)/international organizations (IOs) and public organizations. All levels of the command, Headquarters, Districts, and Contract Administrations Offices (CAOs) share responsibility to pursue opportunities to increase DCMC's CAS business. This chapter addresses any development of DCMC's reimbursable CAS business, that is, CAS provided to non-DoD and public organizations.

a. As a result of agreements between the U.S. Government and certain FG/IOs (e.g., National Atlantic Treaty Organization) (known as reciprocal agreement) what would otherwise be reimbursable CAS is provided free of charge. Consult reference A 5 for a listing of FG/IOs covered by reciprocal agreements.

b. Specific business development goals are established by fiscal year and identified in DCMC's Performance Plan.

**2. Authority for Providing CAS on a Reimbursable Basis.** Providing CAS to non-DoD organizations requires proper statutory authority. Furnishing reimbursable CAS to other organizations without proper authority could represent a prohibited augmentation of agency funds and would violate 31 U.S.C. 1301. Any proposed provision of CAS not clearly authorized should be reviewed by assigned legal counsel.

a. **National Aeronautics and Space Administration (NASA).** 42 U.S.C. 2473(c)(6) enacted as part of Public Law 85-568, authorizes NASA to use the services of DoD. It is the policy of DoD to provide CAS to NASA on a reimbursable basis. See DFARS 208.71.

b. **Other Non-DoD (Civilian) Federal Agencies.** The Economy Act, 31 U.S.C. 1535, authorizes Federal agencies to enter into written agreements for the performance of services by the personnel of one agency for another on a reimbursable basis. Agency is defined as any department, agency or instrumentality of the United States Government, 31 U.S.C. 101.

c. **FG/IOs.** DCMC can provide CAS to FGs/IOs under several scenarios (see generally the Foreign Assistance Act, as amended and the Arms Export Control Act, as amended).

(1) **Direct Commercial Contracts with U.S. Contractors.** The International Logistics Office (ILO) (reporting to DCMC New York and DCMDE) is the DoD Central Control Point (CCP) for requests by FGs/IOs for DCMC s CAS services, known as Foreign Contract Administration Services (FCAS). A current list of eligible foreign customers is at Reference A5.

(2) **Foreign Military Financing (FMF) Direct Commercial Contracts.** The DoDCCP provides specific instructions to the CAO with each delegation when the Defense Security Assistance Agency authorizes FMF for foreign governments making commercial purchases from U.S. contractors.

(3) **Canada.** DFARS 242.1 provides that quality assurance and contract audit services (Including field pricing) is provided at no charge to Supply and Services Canada (SSC). SSC forwards requests for these services directly to CAOs. Other services for SSC, and services requested by other Canadian Government activities shall be performed on a reimbursable basis, and these requests are submitted to the DoDCCP.

(4) **Foreign Subcontracts for DoD.** The DoDCCP is not involved when U.S. contractors receive subcontracts from foreign (prime) companies. CAS costs for U.S. subcontractors, where the prime contractor is a foreign company, are not reimbursable when the U.S. DoD is the ultimate customer. Such subcontracts are usually identifiable by a reference to the DoD contract number and are usually accompanied by a request for CAS from the prime contractor CAO. Questions should be referred to the U.S. contractor.

(5) **Foreign Military Sales (FMS).** FMS procurements are included in DoD contracts. Therefore, FMS customers do not provide specific requests/delegations to DCMC CAOs.

d. **State & Local Governments.** Very limited authority exists under the Intergovernmental Cooperation Act, 31 U.S.C. 6505, as implemented in OMB Circular A-97, for the head of a federal agency to provide state and local governments with certain specialized and technical services. Among the services that may be provided is technical advice on “improving logistical and management services”. This is not authority for providing CAS to state and local governments. Before providing services under this authority, several conditions must be met, including agency head approval.

**3. Marketing DCMC s CAS Services.** It is DCMC s policy to actively offer its CAS as described in FAR 42.302/DFARS 242.302 to all eligible customers/potential customers. However, except those services incidental to

CAS, DCMC does not offer, nor provide, any services other than CAS, e.g., administrative (clerical/secretarial), awarding contracts.

**a. Responsibilities/Roles.** Commanders will promote active marketing of DCMC CAS to all eligible customers/potential customers. This includes, but is not limited to, distribution of literature and presentation of briefings, the goal of which is to increase the quantity (hours/dollars) of reimbursable CAS provided by DCMC to non-DoD activities.

(1) **DCMC Headquarters Business Development/Marketing Team (AQBB)** will develop business development/marketing policy and materials. AQBB will actively market to the senior levels (Headquarters) of customer/potential customer organizations. AQBB will assist Districts/field offices as needed in marketing efforts at lower levels.

(2) **District Commanders** will designate business development focal points who are responsible for actively seeking opportunities for new/expanded business. District focal points will establish procedures to coordinate delegations affecting multiple CAOs.

(3) **CAO Commanders** will designate business development focal points who will identify specific opportunities within their CAO's area of responsibility and actively market DCMC CAS to those specific agencies. As first targets of opportunity, CAOs will identify civilian agencies with offices in their area. Also, they will identify those agencies who have contracts with contractors where their CAO is administering contracts for DoD.

(4) **The International Logistics Office, also known as the DoD Customer Control Point (DoDCCP)** will actively seek to identify opportunities for providing CAS for eligible foreign governments and international organizations on their commercial purchases of military materials and services in the United States. CAOs will coordinate with the DoDCCP any marketing opportunities with foreign countries.

(5) **Other responsibilities/roles** - Customer Liaisons, Defense Corporate Executives, Corporate Administrative Contracting Officers, etc. will market DCMC services and seek opportunities for new or expanded reimbursable CAS to civilian agencies and advise appropriate business development focal points of any such potential.

**b. Marketing Materials.** The DCMC Business Development/Marketing Office (AQBB) is the central point for design and reproduction of a command information package consisting of a master folder, command brochures, and fact sheets on coordinated stationary. These materials are available through DASC distribution channels.

(1) Districts will assign a point of contact, who will provide input for general DCMC marketing material, as well as oversee and coordinate with AQBB those marketing materials developed at Districts and CAOs, to ensure consistency and avoid duplication of effort. Districts will disseminate command information packages to field activities.

(2) Marketing material developed by Districts and CAOs will supplement that developed by AQBB, i.e., individualized information, unique in nature to a Command or CAO. All customer oriented publications (pamphlets, brochures, annual reports, etc.) will be coordinated with AQBB prior to publication (this does not include fact sheets). This policy does not apply to internal publications (newsletters, bulletins, etc.) or public affairs-related materials (media releases).

**4. Interagency Agreements, Memorandums of Understanding, Letters of Delegation, Redelegations, Letters of Offer and Acceptance.** Delegation of CAS to DCMC may take any of these forms. For reimbursable work, the most important information, common in each case, is the customer, scope of work, the billing address and point of contact.

**5. Resources/Resource Utilization.** Marketing should not be constrained by perceived personnel resource limitations. Under no circumstances will a delegation be refused for lack of resources without prior approval by the Commander, DCMC. DCMC has authority to increase its Full Time Equivalency (FTE) for FEDCAS reimbursable CAS.

(a) Delegations requiring additional FTE authority will be forwarded to DCMC HQ in accordance with the process in section C of this chapter, except for urgent, firm customer requirements, in which case District Commanders are given a one time authorization to hire up to a total of 15 individuals in a fiscal year to support FEDCAS agreements and concurrently advise the Resource Utilization Council (RUC).

(b) New business that is limited in scope, i.e., involving three or fewer personnel and less than six months in total duration, would normally not require additional FTE, therefore, need not be elevated to the RUC.

**6. Responding to Customer Requests for CAS.** Unsolicited customer requests for CAS will be accepted.

(a) **The Commander, DCMC, normally is the only one authorized to decline requests for CAS.** However, local CAO Commanders may decline non-NASA delegations under the following limited conditions:

(1) The requested services are not CAS as identified in FAR 42.302 or DFARS 242.302;

(2) The item for which CAS is requested was shipped prior to receiving the request;

(3) The contractor will not permit access to the plant or records;

(4) The customer (requestor) does not agree to fund the delegation; or

(5) The contractor cannot comply with the terms of the contract.

(b) **NASA delegations** may be declined only by the Commander, DCMC.

(c) **DoD Debarred or Suspended Contractors.** DCMC will accept non-DoD and FCAS requests for CAS involving contractors that appear on the DoD List of Parties Excluded from Federal Procurement or Nonprocurement Programs. However, the CAO must advise the customer in writing that the contractor was debarred/suspended by DoD. If the customer determines that the service is still required, the CAO will accept the delegation.

(c) **DCMC Personnel.** The CAO Commander is responsible for ensuring assigned personnel are trained, qualified and/or certified appropriately to fulfill customer CAS requirements. DCMC personnel performing work in support of NASA LODs or redelegations should have completed the UO7 (DCMC Multi-Functional Support to NASA) training course.

**7. Reporting of Business Development Effort.** AQBB will develop annual Command and District goals for increasing FEDCAS business, in terms of reimbursable dollar earnings and reimbursable work years. District reimbursable business focal points will forward progress reports to HQ, DCMC, Attn: AQBB, by the 15th of the month following the end of each fiscal year quarter. These reports will include cumulative actual FEDCAS fiscal year earnings to date compared to the District goal. Reports must also identify actions taken to meet the goal, including identifying: non-DoD agencies briefed on DCMC services, non-DoD agencies sent letters, non-DoD agencies where agreements have been initiated, and any known potential reimbursable work. Note: NASA, FCAS, and FMS earnings are not included in this report.

## **C. PROCESS NARRATIVE:**

1. **Marketing.** Headquarters, Districts, CAOs and field offices will identify potential new customers/opportunity to increase business with existing customers and will send letters, phone and conduct briefings for potential customers.

2. **CAO Receives CAS Request.** Contract Administration Office (CAO) receives request to provide CAS for a civilian agency. CAO analyzes request to determine whether requested service is CAS as defined in FAR 42.302 or DFARS 242.302.

a. If request involves only one CAO and is limited in scope (see section B paragraph 5) the CAO Commander, or designee, can accept the delegation and proceed to perform services.

b. When additional resources are required or other CAOs will be involved in supporting the customer's request, then proceed to step 3. CAOs, including subordinate field offices, will not enter into interagency agreements which commit more than their office, without District or RUC coordination, as applicable.

3. **CAO Coordination with District.** CAO will forward, within seven calendar days of receipt, each request for CAS from non-DoD customers to the appropriate District business development focal point, who will coordinate in accordance with local procedures approved by the District Commander. Resource issues may be resolved at the District when only CAOs within that

District are involved and there is limited resource implications, see section B paragraph 5. District Commanders, or designee, may sign agreement involving multiple CAOs within their District. When more than one District is involved or significant resource implications, proceed to step 4.

**4. District Coordination.** Districts will not enter into interagency agreements which bind more than their District or approve hiring above authorized FTE without first gaining approval through the DCMC Resource Utilization Council (RUC). The only exceptions are identified in section B paragraph 5 of this chapter. Districts will forward requests for CAS services from non-DoD customers to headquarters DCMC Business Development and Marketing Team (AQBB). Each request will include a cover letter signed by the District Commander, or his designee, identifying the agency requesting CAS, a point of contact both for the agency and the DCMC office that received the request, the nature of the CAS requested (for example, contract closeout), and a cursory estimate of the DCMC work years by functional specialty required to perform the requested CAS. The District or CAO should also address the resource requirements including the use of current personnel resources and hiring, i.e., additional FTE required to support the customer requirement.

**5. DCMC HQ Coordination.** AQBB will forward requests for reimbursable CAS to the Chair of the DCMC Resource Utilization Council. The RUC will evaluate requests in terms of existing and forecasted workload, unique missions, risk, and command-wide perspective of resource requirements. The RUC will forward its recommendation to accept or decline the work to the Commander, DCMC, for final action. The DCMC Commander retains sole authority for refusing customer requests for CAS. The RUC will notify AQBB and the appropriate District (and CAO) of the Commander's decision.

**6. Notification to Customer.** Districts or CAOs will advise non-DoD customers of acceptance/declination of requests for CAS.

**7. Resource Management.** Districts will monitor actual CAO reimbursable earnings (hours reported in the Defense Contract Administration Reimbursable Reporting System) to validate that actual reimbursable hours worked are accurate and commensurate to plan. Districts will report planned to actual reimbursable earnings to reimbursable goal at DCMC monthly management reviews as part of the budget execution, as well as at RUC meetings.

## **D. SYNOPSIS OF PROCESS:**

1. Inputs:
  - a. Marketing research/effort/materials
  - b. Requests for CAS from non-DoD customers.
2. Outputs:
  - a. Acceptance/declination of CAS requests from non-DoD customers.
  - b. Increased reimbursable business (\$ and FTE), expanded customer base